

Town of Milton

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October 21, 2013

To: Mayor and Council

From: Kristy Rogers

RE: Update to Auction/Disposal of Town Inventory

Since the last Council meeting on October 7th, I have been in contact with Walters Auctioneering and Green Gavel Auctions.

Walters Auctioneering can conduct the entire process of the auction in Town; the commission fee would range between 15-20%. Mr. Walter's would like to view the inventory being sold to better quote the commission fee. There will not be a buyer's premium. Mr. Walters will place the advertisements for approximately \$1,000.00. The Town may place the advertisements, but a minimum of 2 weeks in the Sussex Guide and the Delaware State News is required.

Green Gavel Auctions, Mr. Ben Twilley, is also available to conduct the auction on site. His suggestion would be to hold the auction during the work week (Friday). He would also like to view the inventory to quote a firm commission fee; as for now Mr. Twilley gave a range of 15-25%. There is no charge for a buyer's premium and ads will be placed on the internet and in the Sussex Guide for reimbursement by the Town.

The next step is to gather all the items in a central location, so auctioneers can quote their best commission rate.

I would also ask for consideration of hosting the auction on our own, without using an auctioneer. We could place all the items for auction in a central location (maintenance shop) with set times to view the items. Each item will have an identifying number. In the advertisements, we can give the Milton website to reference the full list of auction items and the auction terms. For example: Closed bids must be delivered to Town Hall by Friday at 4:30, they will be opened Monday at 9am. Town Hall will contact the persons with the highest bid, and all items must be paid by cash or check and picked up by 4:00 Thursday or we will dispose on Friday. Having the auction conducted by the Town in this manner will eliminate overtime because all parts of the auction will be during working hours and all profits will stay as Town revenue.

To follow are the three contacts as given October 7, 2013:

Option A: Emmert Auction – The first step is an on onsite visit by Will Emmert to view the items. The purpose of the onsite visit is to estimate the value for determination on whether or not there is enough to interest and hold a crowd. The fee will be between 15% and 25% of the gross earnings. The fee percentage is determined by the quantity and value of items for auction. The advertising is another \$1,500.00 to \$2,000.00; this fee will cover ads being placed online and in local newspapers. The auction will be conducted on Town property. There is a 10% buyer's premium.

Option B: Wilson Auction – Auctions are held every Saturday morning. The designated auction items will need to be delivered to the auction grounds in Lincoln. Items are accepted Wednesday through Friday, from 9a.m. until 5p.m. Each item will be signed in at their office, then Town staff will place and tag the items where directed. Wilson Auction charges 25% of the gross earnings. No advertisements are placed specifically for the items, but a few pictures maybe taken for their website. There is no buyer's premium.

(Updated) Option C: Ridgely's Auction Service – Commission rates vary from 10% to 25% depending on the item; no buyer's premium. There is a "no sale item" fee of \$25.00. All auction items must be delivered to their location in Camden. Auctions are held on the last Saturday of the month. There are no advertisement fees. Any items that do not sell will need to be picked up or we can pay Ridley's to dispose.